

THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY
LARRY SPEAKES
December 13, 1985
The Briefing Room

12:06 P.M. EST

INDEX

SUBJECT

PAGE

ANNOUNCEMENTS

Personnel Announcements.....1

DOMESTIC

Tax Bill.....1-8, 10
Textile Trade Bill.....5
Presidential Travel/Kentucky.....9
President/Congress.....9-10, 13
Budget.....10-11
Bill Signings.....11
Continuing Resolution/Cigarette Tax.....11-13

FOREIGN

Hostage Buckley/Jack Anderson Column.....8-9
Japan Trade.....9
Poindexter Trip to Central America.....13-14

12:25 P.M. EST

#1637-12/13

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12:06 P.M. EST

MR. SPEAKES: The President today is announcing the appointment of James L. Malone to be Ambassador to Belize, Michael A. Samuels to be Deputy United States Trade Representative with the rank of ambassador -- I'm sorry.

Q I'm sorry.

MR. SPEAKES: Just two little things. You okay?

And Hugh W. Foster to be United States Alternate Executive Director of the International Bank for Reconstruction and Development for a term of two years. And the President today is announcing the designation of Heather J. Gradison to be Chairman of the Interstate Commerce Commission. That's all I have.

The situation on the Hill remains essentially as it was. There have been some conversations up there this morning and they will continue this afternoon concerning the state of play on developing a rule and getting into the vote on tax reform.

Q What's your prediction --

Q Larry?

Q Do you have any --

MR. SPEAKES: Same as it was this morning.

Q The same as it was? It will pass?

MR. SPEAKES: Yes.

Q In other words, it will pass?

MR. SPEAKES: If it gets to the floor for a vote, it'll pass.

Dale?

Q Larry?

Q Are you talking about the rule or the substance?

MR. SPEAKES: Substance.

Q The story from the Hill was that Rostenkowski, O'Neill and Baker were meeting together but that there were no House Republicans in there, that House Republicans don't have their act together and there is no agreement among them.

MR. SPEAKES: First half's correct; last half's not.

Q That what's coming from Michel's office.

MORE

- 2 -

MR. SPEAKES: Well.

Q Are they in the meeting, Larry? Do you know?

MR. SPEAKES: They --

Q Would you clarify what --

MR. SPEAKES: Yes. They have had a meeting and they'll continue to talk further.

Q Who's they?

Q Who's had a meeting?

MR. SPEAKES: Rostenkowski, the Speaker, and Baker.

Q Is there a House Republican position?

MR. SPEAKES: It's my understanding, yes, it was -- that they had agreed to an amendment they wanted to offer and they were going to try to get the Speaker to agree to a rule. That's what was presented to the Speaker, then the Speaker -- then there'll be further talks this afternoon.

Frank?

Q Did the amendment that they want to offer deal specifically -- among the specifics -- dealing with federal pensions and state and local taxes?

MR. SPEAKES: I'm just not going to go into substance of the amendment.

Q Did O'Neill say whether he'd accept the new rule?

MR. SPEAKES: Haven't talked to O'Neill.

Q Is this --

Q Do you have any --

Q Well, you talked to Baker, haven't you or --

MR. SPEAKES: No. The talks will still continue until there's some resolution.

Q Does this agreement, assuming that it goes forward, presuppose that Republicans now will commit themselves on final passage because it could lose a lot of Democratic votes. If they prevail, you've lost -- don't you lose some of the other side?

MR. SPEAKES: No, not necessarily.

Q Well --

MR. SPEAKES: I don't really -- I don't know.
(Laughter.)

Q Well, let me lay it out for you point by point. You bring up a rule --

MR. SPEAKES: Okay, here's how it happens there. Look. Okay, you bring up a rule. Does the rule pass or fail? You don't know. They bring up the Republican substitute -- does it pass or fail? You don't know.

Q You mean --

MORE

- 3 -

MR. SPEAKES: So, you can't draw any conclusions.

Q At either point, there are a large number of Democrats who obviously would fall away. So, has the White House guaranteed enough Republicans to overcome that?

MR. SPEAKES: To overcome what?

Q The likely loss of Democrats --

MR. SPEAKES: On the final passage?

Q First the -- yes, the final passage.

MR. SPEAKES: We think we can make it on final passage.

Bruce?

Q Larry, did --

Q Yes.

MR. SPEAKES: They sent you to the Hill for 10 years to try to learn the Hill and you come down here and you still don't understand it.

Q Well, people tell the truth up there, Larry.

MR. SPEAKES: I tell the truth.

Q This is so --

MR. SPEAKES: Are you accusing me --

Q This is so --

MORE

- 4 -

MR. SPEAKES: Are you stepping over the line?

Q What I'm saying is that your statement this morning, now, is self-contradictory -- that you have the votes for passage, not knowing whether -- how much you're going to lose on the Democratic side if the rule -- if the Republican rule passes.

MR. SPEAKES: I didn't make that statement lightly, Ira.

Q Could you expand on that?

MR. SPEAKES: Look, if I could go -- I would like to go off the record and zap Ira up against the wall, but I dare not do it -- because -- you're not understanding the state of play. I mean, you go to the Hill, Ira, to learn the Hill. You're obviously not understanding how the Hill works on this. You don't know what's going on, to start off with.

Q Well, then, tell us what's going on?

MR. SPEAKES: I told you more than I usually tell you about legislative process. But -- you watch this thing as it plays out, Ira, and it will all come to pass.

Q What bill are you saying will pass?

MR. SPEAKES: Pardon?

Q Which bill?

MR. SPEAKES: I'm saying tax reform will pass if it gets to a vote on its merits. We want to vote on its merits and that's what we're working on. Drake?

Q Well, there were some people on the Hill that were telling reporters this morning that the Republicans were saying that even if they got what they wanted on the rule, they were not making any kind of iron-clad commitment to vote for passage of the bill. Now, --

MR. SPEAKES: Well, now, Drake, how many Republicans are there, up there?

Q Oh, I don't know.

MR. SPEAKES: A lot of them.

Q I'll have to get --

MR. SPEAKES: I mean, they ain't all -- I mean, you say the Republicans are not making any commitment. What Republicans?

Q Less than 435.

MR. SPEAKES: No, you don't need but half of 435. So -- But, I mean, you know, I don't mean to be ugly to you and Ira, but --

Q Go ahead. (Laughter.)

MR. SPEAKES: Okay.

Q I want to bring out the best in you. (Laughter)

MR. SPEAKES: You better get your best hook. (Laughter) No, as far as -- I mean, you just can't speak of the House as a whole, because there are various Republicans and various Democrats that are going to vote on one or two of these three proposals and all of them -- you can't speak for all of them. Right, David?

Q Yes. Now, is it your understanding, still, that

MORE

#1637-12/213

Rostenkowski is carrying this without endorsing the rule? And that the White House is refraining from commenting on the merits of the amendment that you're seeking --

MR. SPEAKES: That's right. Rosty is, by all means, not endorsing the amendment, and basically, he's attending a meeting. He's not even taking the amendment forward. He's just going to a meeting that we've asked for with the Speaker.

Q What's your position on the merit of the rule and on the merits of the amendment you're seeking to be allowed to --

MR. SPEAKES: I think I'd like to withhold that until we discuss what the amendment is, and not really say yet.

Q Why can't you discuss the amendment?

MR. SPEAKES: Well, I think we owe it as a courtesy to the Speaker, not to talk about what we're bringing to him before we get it to him.

Q But it's been brought to him, now, hasn't it?

MR. SPEAKES: It's been brought to him, but discussions are ongoing. I'd rather leave them in that standpoint.

Q Is the amendment fluid? Is there still a possibility that the amendment, itself, is being rewritten in these conversations?

MR. SPEAKES: It was generally agreed to before we went into the meeting. Of course, somebody is getting something out of Michel's office that says there's a difference, so we'll wait and see. It will all work out before deadlines.

Q What's the hang-up? Why are more talks necessary?

MR. SPEAKES: Why are more talks necessary? Because they haven't finished these talks.

Q Well, you gave the impression this morning that it was pretty well -- pretty much a done deal. They were just going to take it to Tip and --

MR. SPEAKES: Well, you have to get the Speaker's agreement and that's part of it.

Q Well, why the ongoing talks? What remains to be settled?

MR. SPEAKES: Just until the Speaker agrees to it. Nelson?

Q Larry, based on what you said, I'm unclear as to whether the President has bought the amendment bill, the compromise that Michel is --

MR. SPEAKES: Yes, I haven't said. They're simply seeking a perfecting amendment that they want to vote on. I haven't said what's in the amendment or haven't talked about how we stand on the amendment until everything is finalized. Art?

Q What's the -- is there any connection between the effort to get Republican support for this -- this trade bill? Many of the Republicans who are opposing the tax reform right now, also supported that textile bill. Is there a tradeoff in the works here?

MR. SPEAKES: No, I don't think it has anything to do with the textile bill.

MORE

#1637-12/213

Q He's waiting until -- the last possible day is Tuesday on textiles. Is that your understanding?

MR. SPEAKES: He will take his action on it when he gets ready. And, of course, there is veto -- not enough strength in the House to override the veto, based on the previous amendment, unless its changed -- previous vote on it. So, Frank?

Q Has anybody -- one more follow-up. Has there been, specifically, any discussion you're aware of, among the House Republicans, and the President, or his people, on the trade bill -- in connection with the tax bill?

MR. SPEAKES: Not that I'm aware of, no. Frank?

Q Are you pretty confident that you will have the votes in the Rules Committee to adopt this modified proposal? Do you think you can get this amendment --

MR. SPEAKES: Well, I think if the Republican leadership agrees this is what they want and the Democratic leadership agrees that it's okay to do it, then I would bet we would have the rule's votes.

Q -- total control of the Rules Committee, this is going to be part of the deal, right?

MR. SPEAKES: Okay, Gene?

Q Larry, you said Baker met this morning with Rosty and Tip. Was Michel also in that meeting?

MR. SPEAKES: Don't think so.

Q Was Baker the one who presented the modified rule?

MR. SPEAKES: Don't know, Gene. I don't know how it was. I would judge he would be, since the Speaker didn't know what it was, and since Rosty is not taking anything up there.

Q Was Regan in there?

MR. SPEAKES: Pardon?

Q Was Regan in the meeting, too?

MR. SPEAKES: (Laughter) This is too good. Who is the author of this?

MR. DJEREJIAN: I don't know. I'll take credit, if you don't read it.

Q Don't repeat it.

MR. SPEAKES: Mr. Djerejian says, the best case for veto of the textile bill is Ira's tie. Is it an import? (Laughter.)

Q I think it was from the American Veterans' Committee. (Laughter.)

Q Then there was no legislator on the Republican side in the meeting?

MR. SPEAKES: I don't think so. B.'s up there. I talked to B. I believe that's correct.

Q Isn't that odd?

MR. SPEAKES: I don't know. Ask your reporters up there. Did I finish, Gene?

MORE

#1637-12/213

Q Well, I was wondering, you know, if this is the House Republican leadership plan, why are they not involved in the presentation?

MR. SPEAKES: I don't know.

Q Don't ask those kind of questions.

MR. SPEAKES: Yes. My God, what is this? (Laughter.) I wasn't up there. Greenwood, how do they work up there?

Q I'll tell you after Ira can --

Q Did Michel refuse to participate?

MR. SPEAKES: I don't know.

Q Was he asked?

MR. SPEAKES: Bob?

Q Larry, you're confident that you'll get the rule out of Committee. Now, you can't --

MR. SPEAKES: What did I tell Frank?

Q And you seem confident that you'll get a vote on the floor to pass tax reform. What about the in-between which -- last couple days -- getting the rule accepted on the floor, what's the view on that?

MR. SPEAKES: Well, as I indicated, if the Speaker of the House of Representatives and the Republican leader seem to favor this procedure, I would bet that it's a

JCC 13, 1965

- 8 -

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pretty good chance of getting a minimum number of votes to get it passed, both getting the rule and the rule committee, and second, getting it on the floor. But there's a lot to be done between now and then -- and that is, to get agreement from everybody.

Frank.

Q What is --

Q It's clear to me.

MR. SPEAKES: Got it?

Q Thank you.

Q What is the President's approach toward this for the afternoon? Is he going to be making more calls? Is he meeting --

Q He's steamed.

MR. SPEAKES: He will if he needs to. Steamed mean. He was -- he will if he needs to. Right now, I don't think he's made any today.

Q He has not made any today?

MR. SPEAKES: No.

Q And what about the comings and goings of Baker and Regan and B.? Will the be up on the Hill all afternoon?

MR. SPEAKES: Regan has not been on the Hill, I do not believe, this morning. I know he's here now. Baker has been and B. has been.

Q Will they be there for the remainder of the afternoon as far as you know?

MR. SPEAKES: They'll come back when they get ready.

Q Will Baker cross from the Rayburn to the Cannon Building?

MR. SPEAKES: No, I think he's going to go work the Senate side a while, see if he has any better luck.

Q Bruce has his crew out there. (Laughter.)

MR. SPEAKES: What side is Baker's hair parted on, Drake?

Q What? I don't know.

Q Ask Darman.

Q What hair?

Q -- comes and parts it for him.

MR. SPEAKES: Bill?

Q New subject?

MR. SPEAKES: New subject, okay. Then Mike.

Q A column in The Post this morning says that Buckley died of a heart attack in a -- hospital, describes the addresses where he was held after considerable torture. Any comment?

MR. SPEAKES: We don't have anything specific on that. I've seen the Anderson column. Let me find my words here. We're

MORE

#1637-12/13

- 9 -

continuing to work in the assumption that all six American hostages are alive. And that's about all I have. We don't have any more on that.

Mike?

Q There was a question I think this morning about the Japanese lifting voluntary restraints. Is there anything further on that?

MR. SPEAKES: I don't think so.

Q I believe we now have some official word -- not an announcement, but the trade -- foreign ministry is saying that they're going to lift the restraints at the end of the fiscal year.

MR. SPEAKES: As I understand it, that's something they indicated that they were going to do earlier when all the matter was up for discussion.

MR. DJEREJIAN: We have no official confirmation of these reports.

Q Did you find out with which Central American leaders Mr. Poindexter did meet?

MR. SPEAKES: I did, but I don't think we're going to be specific on it.

Q Did he meet with -- the President-elect of Guatamala?

MR. SPEAKES: I'm just not going to talk about it.

Q Larry, did he meet only military people or also civilian leaders?

MR. SPEAKES: Civilian leaders.

Q Will the President be attending any memorial service for the dead Army -- the guys killed in the plane crash?

MR. SPEAKES: The President has expressed a desire to participate in some sort of memorial service at Fort Campbell, and we're in discussions with the Army on it now.

SENIOR ADMINISTRATION OFFICIAL: I will tell you off the record that there's a good possibility we'll probably go down there Monday morning and then be back in the early afternoon. But use that off the record right now until we get our details worked out. And we'll have something by the end of the afternoon.

Q He wouldn't go to Dover, Delaware then?

SENIOR ADMINISTRATION OFFICIAL: He would go to Fort Campbell if he went anywhere.

Dave?

Q Larry, more and more people on the Hill, Republicans as well as Democrats, are saying the President's grip is slipping up there, and largely for the reason that they don't feel that their own political fortunes are tied closely to his anymore, and that this portends, over the long run, for the rest of his Presidency, a lot of trouble in getting what he wants from Congress. How do you react to that sort of thing?

MR. SPEAKES: No.

Q No? No what?

MORE

#1637-12/13

- 10 -

MR. SPEAKES: Not so.

Q Not so? On what grounds do you base that?

MR. SPEAKES: Oh, 49 states -- what was it? How many percentage to the vote? Excellent legislative success on a number of issues through this year, particularly after Labor Day.

Q Did -- this latest episode doesn't give you cause for alarm or --

MR. SPEAKES: I was talking to one of our -- what was that -- what did Dave tell us yesterday at lunch about the rules and this happens very often -- Democratic rules, Republicans don't vote for them and that kind of stuff? So --

Q Is it true that after Jerry O'Leary's column --

Q That was good, Pete.

MR. ROUSSEL: He did.

MR. SPEAKES: I mean, this has happened many times before.

Q So this --

Q Nothing that's ever --

Q -- results --

MR. SPEAKES: No, no. This kind of thing has happened many times before. (Laughter.)

Q So why didn't you anticipate it?

MR. SPEAKES: Pardon?

Q Why didn't you anticipate it if it happened so often before?

MR. SPEAKES: Why didn't what?

Q Why didn't the White House anticipate that there would be this kind of opposition -- that the Republicans would use the rule to block tax reform packages.

MR. SPEAKES: There's always the possibility that can happen. We didn't -- it wasn't --

Q Why didn't you anticipate it?

MR. SPEAKES: It wasn't that we didn't anticipate it; we knew there was a possibility it could happen.

Q Do you think the White House made enough of an effort, though, to prevent them from blocking it this way?

MR. SPEAKES: Yes.

Q Couldn't they have --

Q Yes.

MR. SPEAKES: Bob?

Q Any '87 budget stuff today?

MR. SPEAKES: Any what?

MORE

#1637-12/13

Q '87 budget review today here?

MR. SPEAKES: Not talking about budget meetings.

Did we get that -- those signings? You got them?

Q Talk about --

MR. SPEAKES: Is that what we have here?

MR. BRASHEAR: Yes.

Q Anything like yesterday on the budget?

MR. SPEAKES: No, I don't have anything for you.

Let's see --

MR. BRASHEAR: -- was just signed.

MR. SPEAKES: Okay, the -- let me give you some bill signings here. I want to be sure -- the President has signed today Commerce, State and Justice appropriations bill and last night signed Labor, HHS and Independent Agencies, including the one signed this morning. The President has signed six domestic appropriations bills. We'll have a piece of paper on these here in a little bit, but --

Q What, has he signed six, vetoed one, and, what's that -- five pending, six pending?

MR. SPEAKES: Let's see --

MR. BRASHEAR: Six pending.

MR. SPEAKES: Six pending. Thirteen in all. Anything else?

Q Larry, you said you would check on the CR -- the cigarette thing -- the short term.

MR. SPEAKES: Oh, yes. The CR -- yes. We would -- we do anticipate signing it. We have not had -- changed our position on opposition to the cigarette tax. I was trying to see -- there are three or four other things that are included in this --

Q But do you anticipate signing the CR and you still anticipate vetoing the reconciliation bill if it has a cigarette tax in it?

Q Signed the CR this morning.

MR. SPEAKES: Oh, okay.

Q The long term CR, not the four day one.

MR. SPEAKES: In other words, the President has now signed the short term extension, right?

MR. BRASHEAR: Right.

MS. WINNICK: Yes.

MR. SPEAKES: Yes, that was what I'm trying to say. This is just -- this just in -- and there's Commerce, State, Justice, Judiciary and related agencies.

Q He did sign the short term?

Q -- cigarettes.

MORE

#1637-12/13

- 12 -

MR. SPEAKES: He has signed the short term extension that goes 'til 6:00 p.m. on December 16th.

MR. BRASHEAR: That's the CR.

Q Oh, that's CR.

MR. SPEAKES: Short term --

MR. BRASHEAR: The cigarette tax, which is the other --

MR. SPEAKES: CR.

MR. BRASHEAR: -- is a separate bill.

Q It's in reconciliation.

MR. SPEAKES: Has not been signed.

MR. BRASHEAR: It is not in reconciliation.

MR. SPEAKES: There's a -- let me look at the piece of paper, Rusty. It tells me all those two or three things that we -- here it is. See, this short term extension includes the 16 cent cigarette tax, but it also includes Medicare reimbursement, railroad unemployment insurance and trade adjustment assistance. All these, if the President signs this, which I anticipate he would do,

MORE

#1637-12/13

- 13 -

would extend funding of all of these until the 18th.

David's question is would we still -- with cigarette tax at 16 cents in the reconciliation bill, would we veto it on the account of cigarette tax. I think there --

Q Probably.

MR. SPEAKES: Yes. There are a number of things in the reconciliation as it stands now that we don't like and we --

Q So, you're willing to make this short little bridge, but you still have opposition to it --

MR. SPEAKES: Opposition to it.

Drake.

Q On the possibility of the trip Monday, are you anticipating a regular trip, press plane and all, as opposed to a --

MR. SPEAKES: Yes, full fledged.

Q Larry --

Q -- say that you oppose the cigarette tax, does that mean that you would kill the bill or just approve it and say in the statement, "Well, we don't like it."

MR. SPEAKES: What I'm saying is that there are a number of things in reconciliation we don't like and may very well veto.

Q -- one more related question. What's the status of the defense number in the CR negotiations? Have you and the Congress -- has the White House and the Congress reached agreement on --

MR. SPEAKES: No.

Q -- defense?

MR. SPEAKES: Have not.

Q That's still an issue?

MR. SPEAKES: We're still -- we're making progress on the domestic side -- good progress on the domestic side. One or two of the appropriations bills within the CR remain high, and -- the same as defense. We haven't worked that out.

Andrea.

Q Don't you have any better guidance on the textile bill, the timing of that?

MR. SPEAKES: No.

Q I mean, is that something he might dispose of this weekend? Or would he do that over --

MR. SPEAKES: I doubt it. I doubt it. I imagine it'd be the first of the week.

Q Did Poindexter report to the President? Or is he drumming up --

MR. SPEAKES: He is.

Q -- working on a report.

MR. SPEAKES: He is.

MORE

#1637-12/13

- 14 -

Q He did give his --

MR. SPEAKES: Yes.

Anything else?

Q Will you know about the Monday trip by the end of
the day?

MR. SPEAKES: Yes, I will.

THE PRESS: Thank you.

END

12:25 P.M. EST